




DEPARTMENT OF MENTAL HEALTH POLICY/PROCEDURE

SUBJECT CLINICAL DOCUMENTATION: MEDICARE	POLICY NO. 401.04	EFFECTIVE DATE 09/01/2004	PAGE 1 of 3
APPROVED BY:  Director	SUPERSEDES 104.10 09/01/2004	ORIGINAL ISSUE DATE	DISTRIBUTION LEVEL(S) 1

PURPOSE

- 1.1 To provide documentation guidelines for outpatient services provided by Department of Mental Health (DMH) employees to Medicare beneficiaries and billed to Medicare under Part B through the National Heritage Insurance Company (NHIC), so that claims to Medicare will be supported by compliant documentation.

POLICY

- 2.1 Documentation for mental health services provided to and reimbursable by Medicare will be based upon information and instructions distributed through NHIC the local carrier and the Federal Centers for Medicare and Medicaid Services (CMMS).
- 2.2 Program Managers of DMH directly operated clinics shall ensure that all staff are made aware of updated information related to Medicare.
- 2.3 DMH employees shall document services provided to Medicare beneficiaries in accordance with information and instructions provided to them by the Department.

DEFINITION

- 3.1 In many instances, variations exist between payor sources. The following definitions are specific to Medicare:

3.1.1 Reasonable and Necessary Services:

- 3.1.1.1 Section 1862(a)(1)(A) of the Social Security Act states that all Medicare Part B services, including mental health services, must be "reasonable and necessary for the diagnosis or treatment of an illness or injury or to improve the functioning of a malformed body member." For every service billed, providers must indicate the



DEPARTMENT OF MENTAL HEALTH POLICY/PROCEDURE

SUBJECT	POLICY NO.	EFFECTIVE DATE	PAGE
CLINICAL DOCUMENTATION: MEDICARE	401.04	09/01/2004	2 of 3

specific sign, symptom, or patient complaint necessitating service.
(Reference I)

3.1.1.2 For a service to be considered reasonable and necessary, services must have been established as safe and effective.
(Reference II) That is:

- Consistent with symptoms or diagnosis of the illness under treatment.
- Necessary and consistent with generally accepted professional medical standards (i.e., not experimental or investigational);
- Not furnished primarily for the convenience of the patient, the attending physician, other medical professional, or family members; and
- Furnished at the most appropriate level, which can be provided safely and effectively to the patient.

3.2 Reasonable Expectation of Improvement:

3.2.1 Services must be for the purpose of diagnostic study or be reasonably expected to improve the patient's condition. The treatment must, at a minimum, be designed to reduce or control the patient's psychiatric symptoms so as to prevent relapse or hospitalization and improve or maintain level of functioning. The goal of a course of therapy is not necessarily restoration of the patient to the level of functioning prior to the onset of illness, although this may be appropriate for some patients. For many other psychiatric patients, particularly those with long-term, chronic conditions, control of symptoms and maintenance of functional level to avoid further deterioration or hospitalization is an acceptable expectation of improvement. "Improvement" in this context is measured by comparing the effect of continuing treatment versus discontinuing it. Where there is reasonable expectation that a patient's condition would deteriorate, relapse further, or require hospitalization if treatment services were withdrawn, this criterion would be met. (Reference I)



DEPARTMENT OF MENTAL HEALTH POLICY/PROCEDURE

SUBJECT	POLICY NO.	EFFECTIVE DATE	PAGE
CLINICAL DOCUMENTATION: MEDICARE	401.04	09/01/2004	3 of 3

PROCEDURE

- 4.1 The Department will assign staff to be responsible for reviewing all information and instructions disseminated via List-Serve from NHIC and CMMS.
- 4.1.1 These assigned staff shall be responsible for the distribution of all information and instructions specific to the provision and documentation of mental health services obtained from NHIC and CMMS to all directly operated programs within one month of an update.
- 4.2 DMH directly operated programs shall maintain a binder of NHIC/CMMS information and instructions accessible to all staff providing services reimbursable to Medicare.

AUTHORITY

National Heritage Insurance Company, Part B Medicare Carrier
Center for Medicare and Medicaid Services
Title XVIII of the Social Security Act

REFERENCES

- Reference I Department of Health and Human Services (DHHS), CMMS, Program Memorandum Intermediaries/Carriers, Transmittal AB-03-037, Subject: Provider Education Article: Medicare Payments for Part B Mental Health Services, March 28, 2003, available [HERE](#) .
- Reference II Center for Medicare and Medicaid Services, National Heritage Insurance Company, Medicare Part B, Medicare Billing Made Easy, July 2003, available [HERE](#) .
http://medicarenhic.com/prov/billing/newbill_july2003.pdf

REVIEW DATE

This policy shall be reviewed on or before September 2009.